

**CONFIDENTIAL**

*TOR: 31/13382  
HMC*

**C O N F I D E N T I A L 311309Z JUL 79 STAFF**

**CITE FBIS/LONDON 16378**

**TO: FBIS.**

**1. FOLLOWING FROM** [REDACTED]

**A. DELIGHTED OVER YOUR SUCCESS IN THE GULF AND HOPE YOU WILL SOON BE IN BUSINESS THERE.**

**B. AS REGARDS OUR APPROACH TO THE INDIANS, I AM ADVISED WE SHOULD HOLD OFF UNTIL THE NEW GOVERNMENT SETTLES DOWN (IF IT DOES) AND TO LET THE DUST SETTLE ON YOUR APPROACH TO THEM. ALSO OUR OWN CAPABILITY TO MOUNT AN OPERATION THERE, SHOULD COOPERATION PROVE POSSIBLE AND DESIRABLE, WILL BECOME CLEARER BY THE AUTUMN.**

**C. IN THE MATTER OF POSSIBLE CUTS, I UNDERSTAND THAT NO DETAILED DECISIONS HAVE YET BEEN TAKEN BY THE CABINET SO THAT ALARMIST PRESS REPORTS OF OUR POSSIBLE DEMISE ARE ENTIRELY PREMATURE. THE SITUATION, GIVEN THE CABINET'S DETERMINATION TO MAKE SERIOUS INROADS INTO PUBLIC EXPENDITURE AND INCLINATION TO ADMIT OF NO EXCEPTIONS, IS CLEARLY THREATENING BUT I THINK WE NEED TO SEE THE WHITES OF THEIR EYES BEFORE DISCHARGING OUR MAIN ARMAMENT. THE VANCE/CARRINGTON EXCHANGE OF MESSAGES ON OUR 40TH ANNIVERSARY COULD NOT HAVE BEEN MORE OPPORTUNE. MANY THANKS.**

**2. RVW 31 JUL 85.**  
**C O N F I D E N T I A L**

**CONFIDENTIAL**